

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



960

FROM: Riverside County Information Technology

SUBMITTAL DATE:
December 10, 2012

SUBJECT: Approval of Sole Source purchase for maintenance, and licensing with BMC Software Inc., that supports the Remedy Software System without securing competitive bids

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Purchasing Agent in accordance with Ordinance 459 to renew Remedy ARS 7.1 licensing support for one year with the option to renew for two additional one-year periods, not to exceed \$55,704 annually; and,
2. Approve the additional purchase of twenty five (25) Remedy ARS 7.1 licenses in the amount of \$71,753; and,
3. Authorize the Purchasing Agent to sign the purchase orders, exercise the renewal option, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI.

BACKGROUND:
(Continued on Page 2)

Kevin K Crawford
 Chief Information Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 127,457	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	12/13

SOURCE OF FUNDS: RCIT Operating Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
 Serena Chow

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 18, 2012
xc: RCIT, Purchasing

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy

Prev. Agn. Ref.: 3.15 5/11/99 **District:** **Agenda Number:**

3.48

Departmental Concurrence
 Bob Howdyshell
 DIR. PURCHASING/FLÉET

Dep't Recomm.: Per Exec. Ofc.:
 Consent Consent
 Policy Policy

Riverside County Information Technology

Form 11: Approval of Sole Source purchase for maintenance, and licensing with BMC Software Inc., that supports the Remedy Software System without securing competitive bids

Date: December 10, 2012

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BACKGROUND: (Continued)

The Remedy Automated Help Desk Software is heavily integrated into the RCIT operations since 1999 and is used to track all help desk calls, service requests, procurement, and billing of services. The request is for the renewal of the annual software license, maintenance, and support as well as the ability to purchase additional licenses as needed during the course of the year as a result of additional staff that will be utilizing the software. RCIT will be evaluating other enterprise systems as the department continues to grow through the transition of departmental services, and therefore requests a renewal of this proprietary software. Remedy Software maintenance and licensing is proprietary to BMC Corporation.

Price Reasonableness:

BMC Software Inc., is providing similar pricing to all government agencies. Current average annual renewal cost is \$488.63 per license. The average cost of a new license, including support, is \$2870.11.



Kevin K Crawford, Chief Information Officer

Memorandum

To: Mark Seiler, Asst. Purchasing Director

Date: December 10, 2012

Via: County Purchasing, Walter Mack

From: Kevin K Crawford, Chief Information Officer

Subject: Sole Source Procurement for the purchase of Remedy support and additional licenses

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

1. Supply/Service being requested:

The Renewal of Proprietary Remedy ARS 7.1 which include the annual support and the purchase of additional Remedy ARS 7.1 licenses. County has used this proprietary software since 1999.

2. Supplier being requested:

BMC Software

3. Alternative suppliers that can or might be able to provide supply/service:

None

4. Extent of market search conducted:

Received statement from BMC software, that BMC software does not authorize contractors to sell, lease or maintain its proprietary software products. In addition market research was conducted by RCIT to verify that the requested purchase can only be made through BMC software.

5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

Remedy ARS 7.1 is proprietary software. BMC software owns the Remedy ARS 7.1 source code and does not have any authorized resellers of this product.

6. Reasons why my department requires these unique features and what benefit will accrue to the county:

RCIT currently hosts a Remedy ARS 7.1. RCIT depends on the functionality and proper operation of the Remedy product for many aspects of our IT business. Remedy supports incident and problem resolution, inventory management, IT requisitioning, change management, and travel/training management. Ensuring that we renew current support and have the proper number of licenses to support our organization is critical. RCIT staff has grown by adding additional IT County employees from other departments

and is anticipating further growth in the number of employees through the transition of departmental services.

PAGE 2
SOLE SOURCE PROCUREMENT

7. Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:

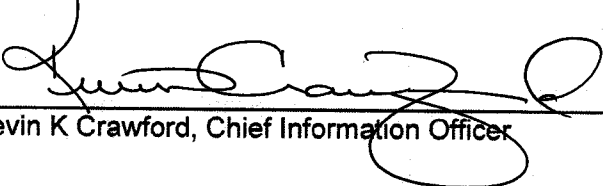
Contacted BMC Software Inc., per sales representative, BMC Software, Inc. is providing similar pricing to all government agencies. Current average annual renewal cost is \$488.63. Current average annual renewal cost is \$488.63 per license. The average cost of a new license, including support, is \$2870.11 Proprietary software has been in use since 1999.

8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain)?

No

9. Period of Performance:

Period of performance shall be effective upon Board approval through December 31, 2013, with the option to renew for two (2) additional years ending December 31, 2015.


Kevin K Crawford, Chief Information Officer
Date 12 Dec 12


Purchasing Department Comments: Current year amount of \$127,457 is for the annual renewal of existing licenses plus purchase of up to 25 new licenses. Years 2-3 are for a maximum of \$75,000 for the annual renewals of the current and newly purchased licenses.

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 127,457 One time \$75,000 Annual Amount for fiscal years 2014 and 2015 renewals


Mark Seiler, Asst. Purchasing Director
Date 12-11-12 Approval Number 13-260



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
 To be completed for all departmental purchases of IT systems, services or renewals

25530
 Tracking Number for
 Internal Use Only

REQUESTED PURCHASE: BMC REMEDY AR SYSTEM LICENSE	
DEPARTMENT/AGENCY: RIVERSIDE COUNTY INFORMATION TECHNOLOGY	
CONTACT NAME/PHONE: GLORIA ARMSTEAD	
PURCHASE REQUEST: <input type="checkbox"/> NEW EQUIPMENT/SERVICES <input type="checkbox"/> UPGRADE <input type="checkbox"/> REPLACEMENT	
PURCHASE TYPE: <input type="checkbox"/> PROFESSIONAL SERVICES <input checked="" type="checkbox"/> SOFTWARE <input type="checkbox"/> HARDWARE <input type="checkbox"/> RENEWAL	
DESCRIBE REQUESTED PURCHASE	BMC Remedy Service desk incident management licenses.
BUSINESS NEEDS ADDRESSED	<p>Renewal of existing eighty-six (86) floating Remedy licenses and twenty-nine (29) fixed licenses at a total cost of \$55,704.</p> <p style="text-align: center;"><u>Additionally</u></p> <p>Require additional service desk floating licenses due to departmental transitions and increase in staff accessing system. The initial service requirement is for twenty-five (25) licenses to cover the additional personnel brought on from Oasis and TLMA IT staff. These will be purchased at a cost of \$2,870 per license, for a total dollar amount of \$71,750.</p>
ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN	
BUSINESS CRITICALITY	BUSINESS IMPACT (SELECT ALL THAT APPLY)
<input checked="" type="checkbox"/> Run the business <input checked="" type="checkbox"/> Grow the business <input type="checkbox"/> Transform the business	<input checked="" type="checkbox"/> Support current operations <input type="checkbox"/> Reduce Expenses <input type="checkbox"/> Improve Customer Service <input type="checkbox"/> Improve Operational Efficiencies
BUSINESS RISKS	<p>Financial:</p> <p>Operational: Remedy is used for time accounting, T&M billing, and systems and operations reporting.</p> <p>Customer:</p>
ALTERNATIVE SOLUTIONS	<p>1. [Solution]</p> <p>2. [Solution]</p>



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
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3. [Solution]				
TRANSACTION	<input type="checkbox"/> Cash Purchase	<input type="checkbox"/> Lease Purchase	Lease Years: _____	
PURCHASE COSTS Renewal: \$55,704 New Lic.: \$71,752.99 TOTAL COST: \$127,457	COST BENEFIT ANALYSIS			
		ALTERNATIVE STATUS QUO	ALTERNATIVE	ALTERNATIVE
	Current Annual Cost			
	Ongoing Annual Cost			
	Annual Cost Savings			
	Net Annual Savings			
	Project Implementation Cost			
Project Payback Period? yrs				
Department Head Signature:		Date:		

RCIT RECOMMENDATION – for purchases and renewals under \$100,000

Recommended: Yes No (Non-recommended requests submit to TSOC)

By: *Wesley P. Colver* Date: *12/4/2012*

Chief Information Officer Signature: *[Signature]* Date: *4 Dec 12*

RCIT explanation for non-recommended requests:

TSOC RECOMMENDATION: for purchases and renewals over \$100,000 and RCIT non-recommended purchases or renewals

Recommended: Yes No (In no, provide explanation below)

TSOC Chair Signature: *[Signature]* Date: *5 Dec 12*

TSOC explanation for denied requests:
